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09/710,443	11/10/2000	David Gryglewicz	4367-1	5255

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EXAMINER

MCALLISTER, STEVEN B

ART UNIT PAPER NUMBER

3627

DATE MAILED: 07/09/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.  
09/710,443

Applicant(s)  
Gryglewicz et al

Examiner  
Steven McAllister

Art Unit  
3627



-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on Mar 26, 2003
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 12-21, 43-49, and 68-79 is/are pending in the application.
- 4a) Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 12-21, 43-49, and 68-79 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claims \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some\* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s). \_\_\_\_\_ 6) ☐ Other:

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## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 3/26/03 has been entered.

### ***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 47 and 69-79 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In claim 47, "said business rules indicating ... aspects related to how the first merchant performs its business and in which aspects are used in determining tax information" is unclear.

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Claim 73 is unclear because “verifies that the first merchant is enrolled in connection with having access to” is unclear. In examining the claim it was read as “verifies that the first merchant is enrolled when the first merchant attempts to access”.

As to claim 74, it is unclear how the merchant’s business rules are used to verify the merchant’s right to access the system. Also, since claim 74 does not depend from claim 73 where verification is further explained, “verification” is unclear.

***Claim Rejections - 35 USC § 103***

4. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

5. Claims 12-17, 20, 21, 43, 45-49, 68-79 are rejected under 35 U.S.C. 103(a) as being unpatentable over Golden et al (5774872) in view of Francisco et al (5799283) and System Overview for Internet Transaction Servers (“Taxware”).

Golden et al show a control system 12, 30 capable of communicating with merchant computers 14,16, merchant bank computers 39, and tax authority computers 38 (see abstract). It further shows storing debit information for debiting merchant banks, credit information for providing credits to the taxing authorities, merchant information, and tax authority information. It also shows receiving transaction data about a taxable transaction for a plurality of merchants including first transaction information received from a first merchant computer (col. 3, lns. 19-30). It further shows debiting a merchant bank and crediting a tax authority to pay the

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merchant's tax (Fig. 1; col. 5, lines 7-12) and providing reports (col. 7, lns. 35-40). Golden et al do not show that the transaction information is related to an ecommerce purchase; that the first transaction information is sent at the same time as the first transaction; or that the first tax amount is for the first transaction. Francisco et al show first transaction data sent immediately to a tax system and first tax amount transferred for the first transaction (see abstract, col. 6, lns. 15-21). It would have been obvious to one of ordinary skill in the art to modify the system of Golden et al by immediately sending the transaction data and a first tax amount to minimize the chance of the data being lost due to a crash of the merchant computer. The Taxware shows tax processing in an ecommerce environment. It would have been obvious to one of ordinary skill in the art to further modify the system of Golden et al by using it in an ecommerce environment in order to allow easy capture of use taxes in the multi-jurisdictional environment of the internet. It is noted that Taxware shows validating the address information associated with the another party matching address information with the appropriate taxing authority.

As to claims 13 and 21, it is noted that Golden et al show main tax gateway 12 and a plurality of distributed tax gateways 30 (see Fig. 2) in communication with the main gateway. The main tax gateway has a controlling subsystem comprising processing circuits and memory subsystems comprising RAM and hard drive since the gateway is a computer. It is inherent that the stored information would be stored in the memory subsystem since that is how a computer maintains data.

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As to claim 14, it is inherent that the tax gateway would access a merchant related data store having merchant bank information for each merchant's respective bank since the system performs debits from the merchants' banks (col. 5, lines 7-12) to pay the merchants' taxes and such information must be accessed to perform the debits.

As to claim 15, intended use only is recited. No further limitations are positively claimed.

As to claim 16, it is noted that Golden et al show a distributed tax gateway with a controlling subsystem (since it is a computer) in which the first merchant computer calculates the first tax amount.

As to claim 17, it is noted that Francisco et al and the Taxware show communication networks including the internet.

As to claim 20, the main tax gateway inherently stores the claimed information since it is necessary for the server to initiate communication with the tax authority designated computers and to know which bank to debit tax payments from

As to claim 43, the system of Golden et al can automatically transfer funds from the merchant's bank to the taxing authority bank (col. 7, lines 45-52). Therefore it is inherent that Golden et al has a controlling subsystem with a tax management system capable of carrying out such transfers.

As to claim 45, Golden et al in view of Francisco et al and the Taxware show a network interface for receiving a request for determining tax on a first transaction and for responding to the merchant.

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As to claim 46, it is noted that the control system of Golden et al in view of Francisco et al and the Taxware as discussed regarding claim 45 includes a merchant interaction control system since an automated interaction with the merchant computer is taking place and it is necessary to have such a subsystem to control it. This control system is in contact with a tax computing engine.

As to claim 47, Golden et al in view of Francisco et al and the Taxware inherently shows that the control system has one or more business rules received from the merchant. It provides rules letting the system known when to and not to tax by creating a nexus profile (see "Nexus" of Taxware). The system uses nexus information of the merchant and determines tax information using the nexus information.

As to claim 48, it is noted that Golden et al in view of Francisco et al and Taxware show all elements of the claim, including business rules including information indicating that no taxes are to be collected by said control system for tax authorities with which the merchant does not share a nexus.

As to claim 49, it is noted that system receives first transaction information without requesting it from the merchant computer (see Francisco et al).

As to claim 68, it is noted that Golden et al in view of Francisco et al and Taxware show that the system assesses which authorities have a nexus based on the nexus business rules of the merchant.

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As to claims 69 and 70, it is noted Taxware shows the control system determining a partial address of the first customer as sufficient.

As to claim 72, Golden et al in view of Francisco et al and Taxware do not explicitly show providing the business rules as part of merchant enrollment, but it is notoriously old and well known in the art to do so. It would have been obvious to one of ordinary skill in the art to further modify the apparatus of Golden et al by providing the information at enrollment in order to avoid functional problems caused by gaps in information later. Additionally, it is noted that the "control system" of the claims is interpreted as an apparatus. The time at which the information is provided is not a limitation upon the apparatus, but on the method of using the apparatus.

As to claim 75-79, it is noted that the control system makes determinations related to a tax method to be used and calculated results based on the business rules such as nexus rules.

As to claim 71, it is noted that having a business rule relating to shipping costs is notoriously old and well known in the art. It would have been obvious to one of ordinary skill in the art to further modify the apparatus of Gold et al by using a shipping cost rule in order to determine whether shipping costs are taxable.

As to claims 73 and 74, it is noted that determining whether a user is entitled to access a system via an identification record is notoriously old and well known in the art. It would have been obvious to one of ordinary skill in the art to provide such determination in order to keep unauthorized users out, therefore increasing the number of people willing to pay, decreasing server load and increasing system security.



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6. Claim 44 is rejected under 35 U.S.C. 103(a) as being unpatentable over Golden et al in view of Francisco et al and Taxware as applied to claims 12, 13 and 43 above, and further in view of Fulton.

Goldent et al in view of Francisco et al and Taxware show all elements of the claims except transferring funds via ACH. Fulton shows such transfers. It would have been obvious to one of ordinary skill in the art to further modify the apparatus of Golden et al by using ACH transfers to take advantage of a well established and simple means to transfer funds.

7. Claim 18 and 19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Golden et al in view of Francisco et al and Taxware as applied to claims 12, 13 and 43 above, and further in view of Todd.

Golden et al in view of Francisco et al and Taxware show all elements of the claims except storing validation and verification information. Todd shows storing such information. It would have been obvious to one of ordinary skill in the art to further modify Golden et al as taught by Todd in order to increase security of the system.

#### ***Response to Arguments***


8. Applicant's arguments with respect to claims 12-21, 43-49 and 68-79 have been considered but are moot in view of the new ground(s) of rejection.

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It is noted that in examining an apparatus claims as claimed, the source of the business rules used (e.g., the merchant as opposed to rules from another source) in determining taxes does not carry patentable weight.

*Conclusion*

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.
10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Steven B. McAllister whose telephone number is (703) 308-7052.

  
Steven B. McAllister

June 30, 2003